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C O N F I D E N T I A L SECTION 1 OF 5 KUWAIT 3924

FROM AMBASSADOR

E.O. 11652: N/A
TAGS: MASS, KU
SUBJECT: ASSESSMENT OF US SECURITY ASSISTANCE PROGRAMS FOR
FY 1979; KUWAIT

REF: (A) STATE 133136, (B) STATE 115409, (C) STATE 115244,
(D) KUWAIT 1647

1. SECURITY ASSISTANCE CROSSROADS IN KUWAIT.

WHILE REF A REQUIRES NO RESPONSE FROM ME (APPARENTLY
BECAUSE NO USG FUNDING WILL BE INVOLVED HERE), I FOUND IT
A USEFUL OUTLINE FOR EXAMINING THE STATUS AND
FURTHER DEVELOPMENT OF OUR SECURITY ASSISTANCE TO KUWAIT.
WE DECIDED TO COMMIT OUR THOUGHTS TO WRITING AND TO SHARE
THEM WITH DEPARTMENT AND AREA POSTS BECAUSE WE FIND OUR-
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SELVES AT AN IMPORTANT CROSSROADS IN OUR SECURITY ASSISTANCE
RELATIONSHIP WITH KUWAIT. FOLLOWING ARE THE MAJOR FACTORS
AFFECTING OUR POSTION AT THIS JUNCTURE:
A. OUR RELTIONSHIP WITH KUWAIT, IN SPITE OF THE
MIDDLE EAST PROBLEMA ND KUWAIT'S CAUTIOUS, NONALIGNED
FOREIGN PLICIES, FOSTERS INCREASED KUWAITI INVESTMENT
IN THE US, SHARPLY RISING IMPORTS FROM THE US, AND

MIDDLE-OF-THE-ROAD POSITION ON OPEC OIL PRICING.

B. KUWAIT PLAYS A RELATIVELY POSITIVE, MODERATE ROLE WITHIN THE ARAB WORLD IN SUPPORT OF US EFFORTS TO BRING ABOUT A SETTLEMENT OF THE ARAB-ISRAELI PROBLEM, AND KUWAIT'S ROLE VIS-A-VIS HER NEIGHBORS IN THE GULF ACCORDS WITH US INTERESTS IN PEACE, STABILITY, AND THE CONTINUED RELIABILITY OF GULF OIL SUPPLIES.

C. KUWAITI LEADERS WOULD REGARD THE FAILURE OF THE USG TO PROVIDE (OR PERMIT EXPORT OF) WEAPONS TO MEET KUWAITI LEGITIMATE DEFENSE REQUIREMENTS AS AN INDICATION OF A LACK OF INTEREST IN KUWAIT (IN RELATION TO THE THREAT FROM IRAQ) AND AS A LACK OF US SINCERITY IN ITS RELATIONSHIP WITH THE ARAB WORLD.

D. AT LEAST WITH RESPECT TO MILITARY HARDWARE AND TRAINING, THE KUWAITIS ALMOST ALWAYS TRY TO OBTAIN IT FIRST FROM THE US AND, FAILING THAT, THEY TURN ELSEWHERE. (EXAMPLES: PURCHASE OF BRITISH CHIEFTAIN TANKS WHEN US M-60'S WERE UNAVAILABLE; PURCHASE OF SOVIET SA-7 MISSILE WHEN US STRINGER WAS DENIED; PURCHASE OF SOVIET LUNA MISSILE WHEN US LANCE WAS REFUSED; PURCHASE OF FRENCH MIRAGE 1 AIRCRAFT WHEN REQUEST FOR US A-7 WAS TURNED ASIDE; AND REPORTED PENDING PURCHASE OF MISSILE-EQUIPPED BRITISH PATROL CRAFT WHEN THE USG REFUSED TO ENTER INTO FMS CONTRACT ON SUCH MATERIALS.)

E. EXCEPT FOR THE JUST CONCLUDED (JULY 12) SALE OF 175 ARMORED PERSONNEL CARRIERS, THERE HAVE BEEN NO CONFIDENTIAL

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MAJOR US MILITARY HARDWARE OR SERVICE SALES CONTRACTED FOR OVER TWO YEARS, WHILE THE BRITISH AND FRENCH HAVE ENTERED HARDWARE CONTRACT EACH EXCEEDING \$100 MILLION, AND THE JAPANESE AND YUGOSLAVS HAVE MAJOR MILITARY CONSTRUCTION UNDERWAY. THUS, IN KUWAIT, WE HAVE BEEN, IN ESSENCE, IMPLEMENTING PRIOR MAJOR SALES--A-4 AIRCRAFT AND THE IHAWK MISSILE SYSTEM.

F. WE ARE NOW FACED WITH ACTUAL OR POTENTIAL KUWAITI REQUESTS FOR: 155MM SELF-PROPELLED HOWITZERS; AN ANTI-AIRCRAFT GUN SYSTEM (TO COMPLEMENT ITS IHAWK AIR DEFENSE SYSTEM); MORE TOW MISSILE LAUNCHERS, AND A COMMAND AND CONTROL SYSTEM. WE ESTIMATE THE TOTAL VALUE OF THESE NEW ITEMS, WHICH ARE DISCUSSED BELOW IN MORE DETAIL, AT FROM 300 TO 800 MILLION DOLLARS, DEPENDING UPON THE SERVICES AND THE TYPES AND QUANTITIES OF ITEMS SELECTED. (CURRENT CONTRACTS FOR US MATERIEL AND SERVICES TOTAL ROUGHLY 700 MILLION DOLLARS).

G. OUR ARMS SALES POLICY FOR KUWAIT, WHICH, UP UNTIL THE MAY 1977 REVISION OF US ARMS EXPORT POLICY, HAD BEEN CONSTRAINED MAINLY BY USG INABILITY TO ORCHESTRATE THE IMPLEMENTATION OF PRIOR SALES, GENERAL GULF POLITICAL CONSIDERATIONS, AND LIMITED KUWAITI

ABSORPTIVE CAPACITY, NOW IS SUBJECT TO THE ADDITIONAL ARMS EXPORT CONSTRAINTS OUTLINED IN REFS B AND C. OUR ABILITY TO IMPLEMENT EFFICIENTLY PAST AND FUTURE SALES, HOWEVER, HAS IMPROVED SIGNIFICANTLY WITH THE ESTABLISHMENT THIS YEAR OF A 17-MAN FMS-CASH-FUNDED US MILITARY LIAISON OFFICE IN KUWAIT (USLOK).

2. ASSESSMENT OF MILITARY SALES TO KUWAIT AS "EXCEPTIONAL FOREIGN POLICY IMPLEMENT."

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C O N F I D E N T I A L SECTION 2 OF 5 KUWAIT 3924

FROM AMBASSADOR

WHILE THE TRANSFER OF CONVENTIONAL ARMS TO KUWAIT WOULD BE DIFFICULT TO JUSTIFY AS CONTRIBUTING TO OUR NATIONAL SECURITY INTERESTS IN MILITARY TERMS, I BELIEVE A REASONABLE CASE CAN BE MADE IN THIS RESPECT FOR CONTINUED LIMITED ARMS SALES TO KUWAIT IN POLITICAL AND ECONOMIC TERMS. IN THIS CONNECTION, I OFFER THE FOLLOWING ASSESSMENT OF THE FACTORS WHICH RELATE TO OUR NATIONAL INTERESTS:

A. US INTERESTS. BECAUSE OF THE FOREIGN FINANCIAL IMPACT OF ITS OIL PRODUCTION AND THE REGIONAL POLITICAL MEANING OF ITS HUGE OIL RESERVES, KUWAIT IS A COUNTRY OF CONSIDERABLE IMPORTANCE TO THE US, DESPITE ITS SMALL

SIZE. US INTERESTS SERVED BY MAINTAINING A SECURITY ASSISTANCE RELATIONSHIP WITH KUWAIT ARE AS FOLLOWS (TAKEN FROM OUR ANNUAL POLICY AND RESOURCE ASSESSMENT, CONFIDENTIAL

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REF D.):

I. PEACE AND STABILITY. US INTERESTS IN PEACE AND POLITICAL STABILITY IN KUWAIT, AND IN THE MIDDLE EAST REGION AS A WHOLE, ACCORDS DIRECTLY WITH US GLOBAL AND REGIONAL INTERESTS. THE GOK'S CURRENT MODERATE ROLE AND INFLUENCE WITHIN THE CONFRONTATION STATES AND THE PLO -- AS THE RESULT OF THE CONSIDERABLE FINANCIAL ASSISTANCE IT HAS PROVIDED -- CAN MAKE A USEFUL CONTRIBUTION TOWARD THE SUPPORT OF US EFFORTS TO BRING ABOUT A SETTLEMENT OF THE ARAB-ISRAELI PROBLEM. POLITICAL THREATS TO KUWAIT'S STABILITY EXIST, INTERNALLY, IN THE FORM OF ITS LARGE PALESTINIAN MINORITY (ONE-QUARTER OF ITS POPULATION), WHICH HAS SO FAR BEEN QUIESCENT AND, EXTERNALLY, IN TERMS OF POSSIBLE AGRESSION FROM IRAQ WHICH HAS AN INTEREST IN ACQUIRING TWO KUWAITI ISLANDS THAT DOMINATE THE SHIP CHANNEL TO THE PORT OF UMM QASR.

II. CONTINUED RELIABILITY OF OIL SUPPLY AND RESTRAINT ON OIL PRICES. ALTHOUGH NOT A MAJOR PRODUCER LIKE ITS NEIGHBORS, SAUDI ARABIA AND ARAQ, KUWAIT'S AVERAGE PRODUCTION OF 2 MILLION BARRELS PER DAY IS IMPORTANT TO PURCHASERS IN THE FAR EAST, PARTICULARLY JAPAN, AND ALSO TO SOME IN EUROPE. AN INCREASED PRODUCTION OF LPIQUEFIED PETROLEUM GAS (LPG), SCHEDULED TO BECOME AVAILABLE AT THE END OF 1978, MAY BE EXPORTED TO THE UNITED STATES IN SUBSTANTIAL QUANTITIES, DEPENDING ON THE OUTCOME OF CURRENT CONTRACT NEGOTIATIONS WITH MAJOR US FIRMS. AVAILABILITY OF THESE ENERGY SUPPLIES AT A FAIR AND REASONABLE PRICE IS IMPORTANT TO THE FUNCTIONING OF THE ECONOMIES OF ITS RECIPIENTS. GIVEN GOK'S ACTIVE ROLE IN OPEC, ITS ATTITUDE TOWARD PRICE CONFIDENTIAL

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AND PRODUCTION LEVELS OF CRUDE OIL ARE SIGNIFICANT IN TERMS OF US GLOBAL INTERESTS.

III. PROMOTION OF INVESTMENT AND TRADE. THE FINANCIAL WEALTH OF KUWAIT, AND IN PARTICULAR, ITS VAST ACCUMULATION OF SURPLUS FUNDS AS THE RESULT OF INCREASED

PRICES RECEIVED FOR ITS OIL, ARE OF INTEREST TO THE US IN TERMS OF OUR EXPORT SALES, BALANCE OF PAYMENTS, AND THE RECYCLING OF PETRODOLLARS. THE GOK HAS CONCENTRATED ITS PORTFOLIO INVESTMENTS IN THE US AND HAS ADOPTED A VERY CONSERVATIVE APPROACH WITH RESPECT TO THEIR PLACEMENT AND MOVEMENT -- A POLICY WHICH IT IS IN THE US INTEREST TO ENCOURAGE. WHILE KUWAIT'S IMPORT REQUIREMENTS ARE LIMITED BY ITS SIZE, THE VOLUME OF US SALES OF GOODS AND SERVICES HAS RISEN SHARPLY, TO THE BENEFIT OF OUR BALANCES OF TRADE AND PAYMENTS. IN PRACTICAL TERMS, KUWAIT HAS BECOME THE THIRD LARGEST IMPORTER (AFTER SAUDI ARABIA AND ALGERIA) OF US GOODS IN THE ARAB WORLD.

B. MILITARY THREATS AND KUWAITI RESPONSES . THE KUWAITIS SEE IRAQ AS THE PRIMARY PRESENT THREAT, LARGELY BECAUSE OF LONG-STANDING UNRESOLVED BORDER ISSUES, BUT ALSO DUE TO IRAQI IDEOLOGICAL ANTIPATHY TOWARD KUWAIT AND OTHER TRADITIONAL GULF ARAB REGIMES. THE KUWAITIS PROBABLY BELIEVE THAT THIS THREAT WILL CONTINUE PARAMOUNT, EVEN THOUGH IT MAY BE REDUCED IN THEIR PERCEPTION BY THE EVENTUAL SUCCESS OF CURRENT EFFORTS TO PROMOTE BILATERAL BORDER TALKS. IDEOLOGY, GEOPOLITICS, AND THE UNPREDICTABLE BEHAVIOR OF FUTURE IRAQI REGIMES ARE LEADING FACTORS IN THIS KUWAITI PERCEPTION. IN RESPONSE TO THREATS FROM WITHIN AND OUTSIDE, KUWAIT HAS ADOPTED A MILITARY STRATEGY OF BUILDING SMALL, MODERN, RAPID-REACTION FORCES (ESSENTIALLY AIR AND ANTI-ARMOR DEFENSE, CHARACTERIZED BY A HIGH LEVEL OF FIREPOWER) WHICH COULD HOLD OFF

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INVADING FORCES FOR A MINIMUM PERIOD, UNTIL MILITARY AND/OR DIPLOMATIC AID COULD BE OBTAINED FROM ITS LARGER NEIGHBORS AND FRIENDS, PERHAPS INCLUDING THE US AND ALSO THE UN. POLITICALLY, KUWAIT TRIES TO REMAIN ON GOOD TERMS WITH ALL ITS NEIGHBORS, AS WELL AS ITS PALESTINIAN MINORITY, BY ADOPTING FOREIGN POLICIES DESIGNED TO AVOID OFFENDING THEM, AND BY ESCHEWING LEADERSHIP POSITIONS ON CONTROVERSIAL ISSUES IN REGIONAL AND ARAB POLITICAL AFFAIRS. BECAUSE IT IS SO VULNERABLE TO BOTH INTERNAL SUBVERSION AND INVASION, KUWAIT HAS EMPLOYED ITS VAST CASH RESOURCES TO PLACATE POTENTIAL ENEMY LEADERS AS WELL AS TO PURCHASE ARMS.

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INFO AMEMBASSY ABU DHABI

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C O N F I D E N T I A L SECTION 3 OF 5 KUWAIT 3924

FROM AMBASSADOR

C. EMBASSY VIEW OF THREATS AND RESPONSES.

OUR OWN VIEWS OF THE THREATS FACING KUWAIT AND OF THE RESPONSES WHICH IT HAS MADE TO THEM DIFFER LITTLE FROM THOSE OF THE KUWAITIS. WE WOULD NOTE THAT THE KUWAITI FOREIGN POLICY OF REMAINING "IN THE MIDDLE OF THE BLOCK" ON VIRTUALLY ALL KEY ARAB AND REGIONAL ISSUES SEEMS TO BE ACHIEVING THE DESIRED RESULTS. REGARDING KUWAITI MILITARY STRATEGY, WE NOTE THAT THE KUWAITIS ARE MOVING PIECEMEAL AND SLOWLY TO SOLVE THEIR LEADING PROBLEM -- LACK OF TRAINED MANPOWER -- IN THE ESTABLISHMENT OF AN INTEGRATED RAPID REACTION FORCE. THEY COULD GO FASTER HERE, BUT THERE ARE MAJOR OBSTACLES -- THE NEED TO ESTABLISH A CONSCRIPTION SYSTEM TO DOUBLE THE SIZE OF THE ARMED FORCES, AND THE APPLICATION OF RESOURCES TO ENSURE THAT THESE

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FORCES ARE ADEQUATELY TRAINED AND THEN RETAINED IN SERVICE. THE LONG LEAD TIME FOR THE DELIVERY OF WEAPONS ALREADY PURCHASED OR TO BE CONTRACTED FOR IN

THE FUTURE SHOULD GIVE THEM AN OPPORTUNITY TO DEAL WITH THESE PROBLEMS. THE LOGICAL ALTERNATIVES TO CURRENT MILITARY STRATEGY ARE OF COURSE TO REMAIN VIRTUALLY DISARMED AND/OR TO ESTABLISH A SECURITY ALLIANCE WITH A REGIONAL OR WORLD "PROTECTIVE" POWER. IT APPEARS THAT THE KUWAITIS HAVE FIRMLY REJECTED BOTH ALTERNATIVES, THOUGH A GOOD THEORETICAL CASE COULD BE MADE FOR THE FIRST ALTERNATIVE, SINCE KUWAIT WILL REMAIN FAR WEAKER THAN ANY OF ITS NEIGHBORS NO MATTER HOW IT ARMS ITSELF. IN THIS SENSE, WE RECOGNIZE THAT, WHILE A BETTER ARMED KUWAIT MIGHT POSSIBLY DISCOURAGE INVASION, WE ARE HELPING KUWAIT DEFEND ITSELF PRIMARILY BECAUSE, IN DOING SO, WE ARE BUILDING INFLUENCE AND GOOD WILL HERE, NOT BECAUSE US ARMS SALES TO KUWAIT ARE ALTERING THE BALANCE OF REGIONAL MILITARY POWER.

D. LIKELY KUWAITI PURCHASE REQUESTS IN FY1979. REF A NOTES THE DESIRABILITY OF ESTABLISHING A "PRIORITY ORDER" FOR EXPECTED FY1979 REQUESTS FOR DEFENSE ARTICLES AND SERVICES. IN FACT, WE DOUBT THAT THE GOK HAS ANY INTERNAL PRIORITIES IN TERMS OF FUNDING, SINCE IT CAN EASILY BUY FOR CASH ANYTHING IT CAN USE. IN TERMS OF TIMING OF ACQUISITIONS, PURELY MILITARY PRIORITIES AND THE CONSTRAINT OF ABSORPTIVE CAPACITY CARRY THEIR OWN IMPERATIVES, AND WE CAN ESTIMATE WHAT THESE ARE. AS NOTED ABOVE, WE NOW HAVE PENDING UNFULFILLED KUWAITI REQUESTS FOR:

I. FMS SALE OF 155 MM SELF-PROPELLED HOWITZERS
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(M-109). THIS REQUEST HAS BEEN PENDING BECAUSE GOK PRELIMINARY INQUIRIES IN WASHINGTON REVEALED THAT THE EARLIEST DELIVERIES OF THIS WEAPON COULD NOT BE MADE UNTIL 1982. ON THE BASIS OF THE MILITARY ASSESSMENT OF CHIEF, USLOK, THAT THERE WAS A LEGITIMATE AND, INDEED, BASIC, DEFENSE REQUIREMENT FOR THIS ARTILLERY, I HAVE PROPOSED THAT FMS SALE BE APPROVED, AND THAT A SINGLE BATTERY OF HOWITZERS BE PROVIDED AT AN EARLIER DATE SO THAT TRAINING CAN BE COMMENCED, WITH THE DELIVERY DATE OF THE BULK OF THE WEAPONS TO REMAIN 1982 (KUWAIT 3670).

II. FMS PRICE AND AVAILABILITY DATA ON THE VULCAN ANTI-AIRCRAFT GUN. (WE EXPECT A REQUEST IN FY 1979 FOR PRICE AND AVAILABILITY DATA ON EMERSON'S EMERAD-30 ANTI-AIRCRAFT GUN, AS A POSSIBLE ALTERNATIVE TO THE MOBILE VULCAN SYSTEM (RATED HIGH IN COMPLEXITY AND LOW IN PERFORMANCE) AND POSSIBLY AS ARMAMENT FOR BRITISH-

SOURCE PATROL CRAFT.) SINCE THE US HAS SOLD KUWAIT THE I-HAWK AIR DEFENSE SYSTEM, I BELIEVE WE HAVE AN OBLIGATION TO SELL IT AN ANTI-AIRCRAFT GUN SYSTEM WHICH IS A NECESSARY ADJUNCT TO AN INTEGRATED AIR DEFENSE. IN FACT, I DISSUADED THE DEFENSE MINISTER FROM CONSIDERING THE PURCHASE OF SOVIET ANTI-AIRCRAFT GUNS-- ACKNOWLEDGED BY OUR MILITARY AS THE BEST AVAILABLE -- ON THE GROUNDS OF INCOMPATABILITY WITH OUR IHAWK SYSTEM, PARTICULARLY WITH RESPECT TO THE LATTER'S CLASSIFIED ASPECTS (76 KUWAIT 5698).

III. IN ADDITION TO THE ABOVE, WE EXPECT A REQUEST FOR SALE OF ADDITIONAL TOW LAUNCHERS IN ORDER TO ADD TO THEIR PRESENT INVENTORY (50) OF THIS HIGHLY REGARDED DEFENSIVE WEAPON AS WELL AS TO REPLACE SOME DOZEN TOWS TO BE INSTALLED ON THEIR NEW PACS.

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FROM AMBASSADOR

IV. FURTHERMORE, WE ARE REASONABLY CERTAIN THAT THE KUWAITS EVENTUALLY WILL CONCLUDE THAT THEY REQUIRE A NATIONAL MILITARY COMMAND AND CONTRL SYSTEM TO INTEGRATE THE ELEMNTS OF AT LEAST THEIR AIR DEFENSE FORCES, IF NOT ALL OF THEIR LAND, SEA AND AIR ELEMENTS.

THEY MIGHT REQUEST THIS AS EARLY AS FY1979, ALTHOUGH THIS MAY NOT COME UNTIL LATER.

V. WE ALSO EXPECT A REQUEST FOR ADDITIONAL MILITARY TRUCKS.

E. KUWAIT USES OF US MATERIEL: IMPACT ON US INTERESTS. THE GOK'S DESIRE FOR MODERN ARTILLERY, APCs AND MORE TOW LAUNCHES DERIVES FROM ITS FEAR OF THE IRAQI ARMOR THREAT, IN PARTICULAR, AND THE OVERWHELMING MILITARY POWER OF ITS NEIGHBORS, IN GENERAL. IT IS INCONCEIVABLE THAT THE GOK WOULD USE ANY OF THESE WEAPONS OFFENSIVELY, EXCEPT IN COUNTERATTACKS, SINCE TO
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DO SO WOULD INTENSIFY THE THREAT OF NATIONAL DESTRUCTION. THE AIR DEFENSE EQUIPMENT MENTIONED IN THE FOREGOING PARAGRAPH WOULD, LIKEWISE, BE USED IN A DEFENSIVE MODE, TO PROTECT FROM OVERWHELMING IRAQI AIR POWER FIXED MILITARY TARGETS AND MOBILE BATTLEFIELD AND NAVAL TARGETS. KUWAITI COMMAND AND CONTROL EQUIPMENT WOULD BE USED TO INTEGRATE AND COORDINATE KUWAITI DEFENSIVE FORCES IN A COMBAT SITUATION, IN THE HOPE THAT MODERN COMMUNICATIONS, ALONG WITH FIREPOWER AND MOBILITY, WOULD SERVE THE NATIONAL STRATEGY DESCRIBED IN PARA. 2B ABOVE. THE PROSPECTIVE USE OF US ARMS IN THESE DEFENSIVE MODES SERVES US INTERESTS IN MIDDLE EAST (AND PARTICULAR GULF) STABILITY. IT TENDS TO INCREASE OUR POSSIBILITIES TO BOTH LIMIT THE DEVELOPMENT OF SOVIET INFLUENCE IN KUWAIT AND IN THE GULF, AND INFLUENCE THE CHARACTER OF A NEW KUWAITI INSTITUTION, THE MILITARY, WHICH IS LIKELY TO BECOME AN IMPORTANT POLITICAL FACTOR IN THE FUTURE. STABILITY, IN TURN, SERVES US INVESTMENT AND TRADE INTERESTS AND, MOST IMPORTANT, MAKES IT MORE LIKELY THAT KUWAITI OIL WILL KEEP FLOWING TO EUROPE AND JAPAN. IN TERMS OF US INTERESTS ALSO, THE PRESENCE OF US PERSONNEL NECESSARY TO IMPLEMENT THESE POSSIBLE PURCHASES, AND TO HELP INTEGRATE THEM INTO THE KUWAITI MILITARY FORCES, IS OF OBVIOUS CONCERN. WHILE THE DEPARTMENT MIGHT BE IN A BETTER POSITION TO ESTIMATE THE US PERSONNEL REQUIRED, BASED ON EXPERIENCES ELSEWHERE, OUR OWN ROUGH ESTIMATE IS THAT THE US SECURITY ASSISTANCE REQUIREMENT LEVEL WOULD DOUBLE OR TRIPLE, FROM THE APPROXIMATELY 100 CURRENTLY IN KUWAIT TO FROM 180 TO 280, WITH ONLY A HANDFUL OF THIS FIGURE BEING USG EMPLOYEES AND THE BALANCE CIVILIAN CONTRACT PERSONNEL. IN TERMS OF THE TOTAL NUMBER OF AMERICANS IN KUWAIT, THE FIGURE MIGHT
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RISE FROM THE CUREENT LEVEL OF ABOUT 2,700 TO AROUND 3,300 RESIDENTS, INCLDING DEPENDENTS. WE FORESEE VIRTUALLY NO POLITICAL OR CULTURAL PROBLEMS ASSOCIATED WITH THE ASSIMILATION OF THESE NUMBERS-- FOREIGNERS IN KUWAIT ALREADY FAR OUTNUMBER THE KUWAITIS, AND AMERICANS ARE WELL LIKED AND ENJOY FAIRLY HIGH SOCIAL STATUS.

3. OTHER SOURCES OF EQUIPMENT AND SERVICES. THE PROFESSIONAL KUWAIT MILITARY OFFICERS HAVE CONSISTENTLY PREFERRED TO PURCHASE MAJOR WEAPONS SYSTEMS FROM THE US, A SENTIMENT APPARENTLY BASED ON ADMIRATION FOR AMERICAN TECHNOLOGY AND OUR FOLLOW THROUGH ON PREVIOUS SALES. THOSE WHO RULE KUWAIT, HOWEVER, DO INTENTIONALLY DIVERSIFY THE COUNTRY'S MILITARY PROCUREMENT, EVEN OVER THE OBJECTIONS OF THE PROFESSIONALS, AND THEY BUY FROM VARIOUS EUROPEAN (AND RECENTLY SOVIET) SOURCES. THERE SEEM TO BE TWO PRINCIPAL REASONS TO SEEK NON-US EQUIPMENT AND SERVICES: FIRST, POLITICAL AND FOREIGN POLICY-LINKED INFLUENCES-- KUWAIT'S PROCUREMENT POLICY IS AN EXTENSION OF ITS FRIENDS-WITH-EVERYONE FOREIGN PLOICY: AND SECOND, THE FAILURE OF THE US TO APPROVE A SALE, EITHER ON POLICY GROUNDS OR DUE TO UNAVAILABILITY (SEE EXAMPLES, PARA. 1D). IN ADDITION, THERE MAY BE DECISONS AGAINST US MATERIELS ON THE MERITS OF CERTAIN EQUIPMENT, AND THERE ARE RUMORS THAT SOME DECISIONS ARE THE RESULT OF "KICKBACKS" BY FOREIGN SUPPLIERS-- WE HAVE NO FIRM INFORMATION OR EVIDENCE TO SUBSTANTIATE THE LATTER. (ALL US SALES --FMS AND COMMERCIAL-- HAVE BEEN NEGOTIATED DIRECTLY WITH GOK.) WE SEE THIS PATTERN CONTINUING IN THE FUTURE, SINCE KUWAITI FOREIGN POLICY SHOWS NO SIGNS OF CHANGING AND BECAUSE THERE ARE NON-US EQUIVALENT WEAPONS SYSTEMS AVAILABLE FOR MOST OF THE KNOWN AND POSSIBLE KUWAITI PURCHASES IDENTIFIED IN PARA. 2D. PROBABLE ECEPTIONS TO

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THIS (I.E., CASES WHERE KUWAIT MAY BE "LOCKED IN" TO BUY AMERICAN) ARE THE COMMAND AND CONTROL SYSTEM, AT LEAST THAT PART OF IT PERTAINING TO AIR DEFENSE, AND THE ANTI-AIRCRAFT GUNS, SINCE USG SECURITY CONSIDERATIONS MAY MAKE IT IMPOSSIBLE FOR US TO PERMIT THIRD-COUNTRY PERSONNEL TO PARTICIPATE IN THE ACTUAL INTEGRATION OF NEW EQUIPMENT WITH CLASSIFIED US AIR DEFENSE EQUIPMENT AND TECHNOLOGY ALREADY IN KUWAIT

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FROM AMBASSADOR

4. ARMS CONTROL: REGIONAL IMPACT OF US SALES AND
THE KUWAITI POSITION AS A BUYER.

KUWAITI LEADERS WOULD CERTAINLY AGREE THAT IT IS A
SHAME THAT NATIONS MUST ARM THEMSELVES TO FEEL
SECURE. THEY PROBABLY WOULD ALSO AGREE THAT IT WOULD
BE DESIRABLE TO LIMIT ARMS PURCHASES WORLDWIDE, AND
EVEN IN THE PERSIAN GULF AREA, IF KUWAITI SECURITY
WOULD NOT THEREBY BE UNDEMINED. IN THE ABSENCE OF
A CREDIBLE PRODUCER-SUPPLIER ARRANGMENT TO ACCOMPLISH
THIS, HOWEVER, THEY WOULD PROBABLY RESIST ANY US
REQUEST THAT THEY REFRAIN FROM PURCHASING A PARTICULAR
WEAPONS SYSTEM BECAUSE OF ITS REGIONAL ARMS CONTROL
IMPACT. NEVERTHELESS, THE GOK IS MUCH MORE SENSITIVE
TO THIS PROBLEM NOW, FOLLOWING OUR RECENT DEMARCHE
REGARDING THEIR PURCHASE OF SOVIET MISSILES. THE
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CENTRAL FACT HERE, WHICH IS PAINFULLY CLEAR TO ALL

KUWAITIS, IS THEIR COUNTRY'S WOEFUL MILITARY WEAKNESS
RELATIVE TO ITS NEIGHBORS, A STATE OF AFFAIRS WHICH
WILL REMAIN UNAFFECTED EVEN WITH THE PLANNED DOUBLING
OF THE SIZE OF KUWAITI FORCES AND THE PURCHASE
OF ALL THE EQUIPMENT AND SERVICES MENTIONED ABOVE.
THE KUWAITIS FULLY REALIZE THIS -- THEIR STRATEGY
MERELY SEEKS TO DELAY THEIR OWN CONQUEST, NOT CHANGE
THE BALANCE OF POWER IN THE GULF, AS NOTED IN
PARA. 2B.

5. CONCLUSION AND COMMENT.

FOR THE MOST PART, THE GOK, IN ITS ARMAMENT PROGRAM,
HAS HEWED PRETTY CLOSELY TO THE RECOMMENDATIONS OF A
US MILITARY SURVEY OF ITS DEFENSE REQUIREMENTS PREPARED
IN 1972. EVEN PRIOR TO THE REVISION OF OUR ARMS
TRANSFER POLICY, MY VIEW HAD BEEN THAT THE USG SHOULD
ONLY GIVE CONSIDERATION TO REQUESTS BY THE GOK TO
PURCHASE THOSE ITEMS WHICH WERE VIEWED NECESSARY
FOR ITS LEGITIMATE DEFENSE. IF FELT ALSO THAT, HAVING
SOLD TO THE KUWAITIS THE ADVANCED IHAWK MISSILE SYSTEM
AND THE A-4 AIRCRAFT, WE HAD UNDERTAKEN A SPECIAL
RESPONSIBILITY FOR EQUIPPING THEIR AIR DEFENSE SYSTEM,
AND THE COMMAND AND CONTROL APPARATUS TO DIRECT IT.
HOWEVER, THERE SHOULD BE NO QUESTION OF SYMPATHETIC
CONSIDERATION FOR ANY KUWAITI REQUESTS FOR ESOTERIC
OR ADVANCED WEAPONS WHOSE INTRODUCTION INTO THE GULF
AREA COULD BE A DESTABILIZING FACTOR. IT WAS FOR
THIS REASON THAT I RECOMMENDED TO THE DEPT. THAT WE
MAKE THE REPRESENTATIONS NOTED IN PARA. 4 ABOVE
CONCERNING KUWAIT'S PURCHASE OF SOVIET SA-7 AND
FROG MISSILES. I RECOGNIZE THAT THE DOLLAR VOLUME OF
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POTENTIAL FMS SALES TO KUWAIT DURING FY1979, IF APPROVED,
COULD BECOME AN ISSUE. GIVEN THE LONG LEAD TIMES
INVOLVED IN THE DELIVERY OF THE WEAPONS DESIRED, THE
GOK WOULD HAVE SOME DIFFICULTY UNDERSTANDING SUCH
CONSTRAINTS PLACED UPON THE PURCHASE OF ITEMS NEED TO
MEET THEIR LEGITIMATE DEFENSE REQUIREMENTS. UNLIKE
MOST OF OUR FMS CUSTOMERS, THE KUWAITIS HAVE
LITERALLY BEEN STARTING FROM SCRATCH TO BUILD A
MODEST DEFENSE.
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Message Attributes

Automatic Decaptioning: X
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